

Overview of the Merit System and the Personnel Cabinet's Role

Presentation to the Blue
Ribbon Task Force

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Perspective on the Purpose of the Merit System

- Implemented in 1960 and modeled after the Federal Civil Service System.
- Designed to provide protections to employees related to job actions based on political activities.
- Give preference for career advancement for employees who are already in the system (internal mobility).

Subsequent Federal Employment Laws Affecting Personnel

- Equal Pay Act of 1963(amends FLSA)
- Title VII of the Civil Rights Act of 1964
- Executive Order 11246 amended by Executive Order 11375 (AAP Guidelines and non-discrimination guidelines for Fed. Contractors) 1965
- Age Discrimination in Employment Act of 1967
- Occupational Safety and Health Act of 1970
- Equal Employment Opportunity Act of 1972
- The Vocational Rehabilitation Act of 1973
- Employee Retirement Income Security Act of 1974
- The Vietnam Era Veterans Readjustment Assistance Act of 1974
- Pregnancy Discrimination Act
- Uniform Guidelines on Employee Selection Procedures (EEOC-1978)
- Immigration Reform and Control Act of 1986
- The Electronic Communications Privacy Act of 1986
- Drug Free Workplace Act of 1988
- Employee Polygraph Protection Act of 1988
- Older Worker Benefit Protection Act of 1990
- Civil Rights Act of 1991 (Amends Title VII of 1964)
- Worker Adjustment and Retraining Notification Act of
- Consolidated Omnibus Budget and Reconciliation Act (amends ERISA of 1974)
- Americans with Disabilities Act
- Family Medical Leave Act of 1993
- Fair Credit Reporting Act
- Health Insurance Portability and Accountability Act of 1996
- Uniformed Services Employment and Reemployment Rights Act

Context and Historical Role of the Personnel Cabinet

- Interpret and police statutes related to KRS 18A and promulgate administrative regulations related to same.
- Keep state government up-to-date on new employment laws and develop compliance packages.
- Conduct transactions related to payroll, employee benefits, employment, employee conduct, performance evaluation and other key personnel processes.
- Personnel decision-making very much decentralized.

The Contemporary Role of the Human Resources Organization:

- Requires improved systems and processes for:
 - collecting information about jobs which form the basis for job descriptions, employment tests, and compliance with discrimination laws
 - identifying selection criteria and hiring the candidates of best fit
 - tracking internal and external demographic trends and develop systems to ensure that the organization is leveraging diversity as a competitive advantage
 - evaluating employee performance and providing feedback for improvement in order to drive achievement of organizational performance
 - rewarding and remunerating employees for meeting or exceeding performance expectations as well as retention
 - providing employee development and continuous learning
- Design and develop problem resolution processes that provide due process and expeditiously resolve employee complaints
- Identification and implementation of technology solutions to perform transactions
- Provide systems and processes that empower employees to manage their information
- Provide systems and processes that enable managers to access information about their organizations and employees in order to make required changes

The Contemporary Role of the Human Resources Organization (cont'd):

- Serve as a consultant to employees and managers related to key HR processes and systems
- Stay abreast of state and federal employment laws and develop policies and procedures that ensure compliance through organization accountability
- Design and implement employee/family- friendly policies that promote a positive employee relations environment

Analysis: Merit System vs. Today's Contemporary HR System

- Requires improved systems and processes for:
 - collecting information about jobs which form the basis for job descriptions, employment tests, and compliance with discrimination laws
- Classification System – 1996 Hay Study conducted

Analysis: Merit System vs. Today's Contemporary HR System

- Requires improved systems and processes for:
 - identifying selection criteria and hiring the candidates of best fit
- Merit Hiring System (18A.032) qualifying, registers, and selection of candidates

Analysis: Merit System vs. Today's Contemporary HR System

- Requires improved systems and processes for:
 - tracking internal and external demographic trends and develop systems to ensure that the organization is leveraging diversity as a competitive advantage
- **Affirmative Action – State Executive Order 2003-533**

Analysis: Merit System vs. Today's Contemporary HR System

- Requires improved systems and processes for:
 - evaluating employee performance and providing feedback for improvement in order to drive achievement of organizational performance
- **KAR Employee Performance Evaluation**

Analysis: Merit System vs. Today's Contemporary HR System

- Requires improved systems and processes for:
 - rewarding and remunerating employees for meeting or exceeding performance expectations as well as retention
- Compensation

Analysis: Merit System vs. Today's Contemporary HR System

- Design and develop problem resolution processes that provide due process and expeditiously resolve employee complaints
- **Grievances and Personnel Board**

Analysis: Merit System vs. Today's Contemporary HR System

- Identification and implementation of technology solutions to perform transactions
- Enterprise Payroll and Human Resource Information Solutions

Analysis: Merit System vs. Today's Contemporary HR System

- Provide systems and processes that empower employees to manage their information
- Employee and Manager self-service to increase employee satisfaction and efficiency

Analysis: Merit System vs. Today's Contemporary HR System

- Provide systems and processes that enable managers to access information about their organizations and employees in order to make required changes
- Enterprise systems that enable human resource reporting on employee metrics for human resource planning and operational effectiveness

Analysis: Merit System vs. Today's Contemporary HR System

- Serve as a consultant to employees and managers related to key HR processes and systems
- Transformation of Personnel Cabinet staff from transaction processors to process consultants – this will require a variety of development activities, exposure to HR best practices, and leadership

Analysis: Merit System vs. Today's Contemporary HR System

- Stay abreast of state and federal employment laws and develop policies and procedures that ensure compliance through organization accountability
- Re-engineering of the Commonwealth's Personnel System and KRS's/KRA's that build in management accountability

Analysis: Merit System vs. Today's Contemporary HR System

- Design and implement employee/family- friendly policies that promote a positive employee relations environment
- Best practices that involve employees and promote communication and build relationship between the Commonwealth administration and its employees (I.E. employee opinion surveys, peer review systems for selection, problem resolution, and performance evaluation)

Summary of Analysis

- Most of this information has been known by past administrations:
 - 1993 study by KPMG by the Jones Administration (no changes implemented)
 - 1996 Hay study (no changes implemented)
 - Empower Kentucky Initiative (some change started in the area of employment testing and qualifying to benefit internal mobility candidates)
- The Commonwealth has not effectively used human resource management as a strategy to improve services to its citizens, improve working conditions for employees, and operate more efficiently and effectively
- There is a question as to whether or not the “flexibility” that currently exists within the merit personnel system has been left in place to serve management or political agendas.
- Kentucky is in competition with other states in order to attract new businesses, tourists, skilled workers and professionals, which all contribute to increasing the Commonwealth’s revenue. Other states such as Georgia, Florida, North Carolina, Pennsylvania, South Carolina, and Washington State have all re-engineered their human resource systems to drive the achievement of their goals.